

30-015-38527

SURFACE USE PLAN OF OPERATIONS

Operator Name	OXY USA Inc.	16696
Lease Name/Number	Sundance 4 Federal #32	304979 Federal Lease No. NNMNM104730
Pool Name/Number:	Sand Dunes Delaware, West	53815
Surface Location:	1973 FSL 860 FEL NESE(H) Sec 4 T24S R31E	

660' N & 458' W NW8W (d)

1. Existing Roads

- a. A copy of a USGS "Big Sinks, N.M." quadrangle map is attached showing the proposed location. The well location is spotted on this map, which shows the existing road system.
- b. The well was staked by Terry J. Asel, Certificate No. 15079 on 12/17/09, certified 1/14/10.
- c. Directions to Location: At the intersection of SH 128 and CR 798, go northwest on SH 128 for 3.9 miles. Turn left lease road and go south for 2.8 miles. Turn left and go east 0.3 miles. Turn right and go south for 0.2 miles, turn left and go east for 0.5 miles to location.

2. New or Reconstructed Access Roads:

- a. No new access road will be built.
- b. Surfacing material: N/A
- c. Maximum Grade: N/A
- d. Turnouts: None needed
- e. Drainage Design: N/A
- f. Culverts: None needed
- g. Cut and fills: N/A
- h. Gates or cattleguards: none required.

3. Location of Existing Wells:

Existing wells within a one mile radius of the proposed well are shown on Exhibit #3.

4. Location of Existing and/or Proposed Injection Facilities.

- a. The Sundance Federal tank battery would be utilized and the necessary injection equipment will be installed at the well site. See proposed Facilities Layout diagram, Exhibit #4.
- b. If necessary, electric power poles will be set along side of the access road.
- c. All flowlines will adhere to API Standards, Exhibit #4

5. Location and types of Water Supply.

This well will be drilled using a combination of water mud systems. It will be obtained from commercial water stations in the area and will be hauled to location by transport truck using existing and proposed roads

6. Construction Materials:

All caliche utilized for the drilling pad and proposed access road will be obtained from an existing BLM approved pit or from prevailing deposits found under the location. Will use BLM recommended use of extra caliche from other locations close by for roads, if available.

7. Methods of Handling Waste Material:

- a. A closed loop system will be utilized consisting of above ground steel tanks and haul-off bins. Disposal of liquids, drilling fluids and cuttings will be disposed of at an approved facility, see C-144 CLEZ.
 - 1. Solids - CRI
 - 2. Liquids - Laguna
- b. All trash, junk, and other waste material will be contained in trash cages or bins to prevent scattering. When the job is completed, all contents will be removed and disposed of in an approved sanitary landfill.
- c. The supplier, including broken sacks, will pick up slats remaining after completion of well.
- d. A Porto-john will be provided for the rig crews. This equipment will be properly maintained during the drilling and completion operations and will be removed when all operations are complete.
- e. Disposal of fluids to be transported will be by the following companies:
TFH Ltd. - Laguna SWD Facility

8. Ancillary Facilities: None needed

9. Well Site Layout

Exhibit #5 shows the proposed extended well site layout with dimensions of the pad layout and equipment location.
V-door - East Tanks - North Pad Size - 340' X 270'

10. Plans for Surface Reclamation:

- a. After concluding the drilling and/or completion operations, if the well is found non-commercial, the caliche will be removed from the pad and transported to the original caliche pit or used for other drilling locations. The road will be reclaimed as directed by the BLM. The original top soil will again be returned to the pad and contoured, as close as possible, to the original topography.
- b. If the well is deemed commercially productive, caliche from areas of the pad site not required for operations will be reclaimed. The original top soil will be returned to the area of the drill pad not necessary to operate the well. These unused areas of the drill pad will be contoured, as close as possible, to match the original topography, and the area will be seeded with an approved BLM mixture to re-establish vegetation.

11. Surface Ownership

The surface is owned by the U.S. Government and is administered by the BLM. The surface is multiple use with the primary uses of the region for the grazing of livestock and the production of oil and gas.

12. Other Information

- a. The vegetation cover is generally sparse consisting of mesquite, yucca, shinnery oak, sandsage and perennial native range grass. The topsoil is sandy in nature. Wildlife in the area is also sparse consisting of deer, coyotes, rabbits, rodents, reptiles, dove and quail.
- b. There is no permanent or live water in the general proximity of the location.
- c. There are no dwellings within 2 miles of the proposed well site.

d. A Cultural Resources Examination - this well is located in the Permian Basin MOA.

Pad + 1/4 mile road	<u>\$1,339.00</u>	\$0.15/ft over 1/4 mile	<u>\$0.00</u>	<u>\$1,339.00</u>
Pipeline - up to 1mile	<u>\$1,236.00</u>	\$250 per 1/4 mile	<u>\$0.00</u>	<u>\$1,236.00</u>
Electric Line - up to 1mile	<u>\$618.00</u>	\$0.17/ft over 1 mile	<u>\$0.00</u>	<u>\$618.00</u>
Total	<u><u>\$3,193.00</u></u>		<u><u>\$0.00</u></u>	<u><u>\$3,193.00</u></u>

13. Bond Coverage:

Bond Coverage is Nationwide Bond No. ES0136.

Operators Representatives:

The OXY Permian representatives responsible for ensuring compliance of the surface use plan are listed below.

Marvin McElroy
Production Coordinator
P.O. Box 50250
Midland, TX 79710
Office Phone: 432-652-8607
Cellular: 806-215-6750

Larry Sammons
Production Lead
P.O. Box 50250
Midland, TX 79710
Office Phone: 432-685-5724
Cellular: 432-296-9323

Sergio Abauat
Drilling Superintendent
P.O. Box 4294
Houston, TX 77210
Office Phone: 432-366-5689
Cellular: 432-893-3067

Calvin (Dusty) Weaver
Operation Specialist
P.O. Box 50250
Midland, TX 79710
Office Phone: 432-685-5723
Cellular: 806-893-3067

Camilo Arias
Drilling Engineering Supervisor
P.O. Box 4294
Houston, TX 77210
Office Phone: 713-366-5953
Cellular: 281-468-4652

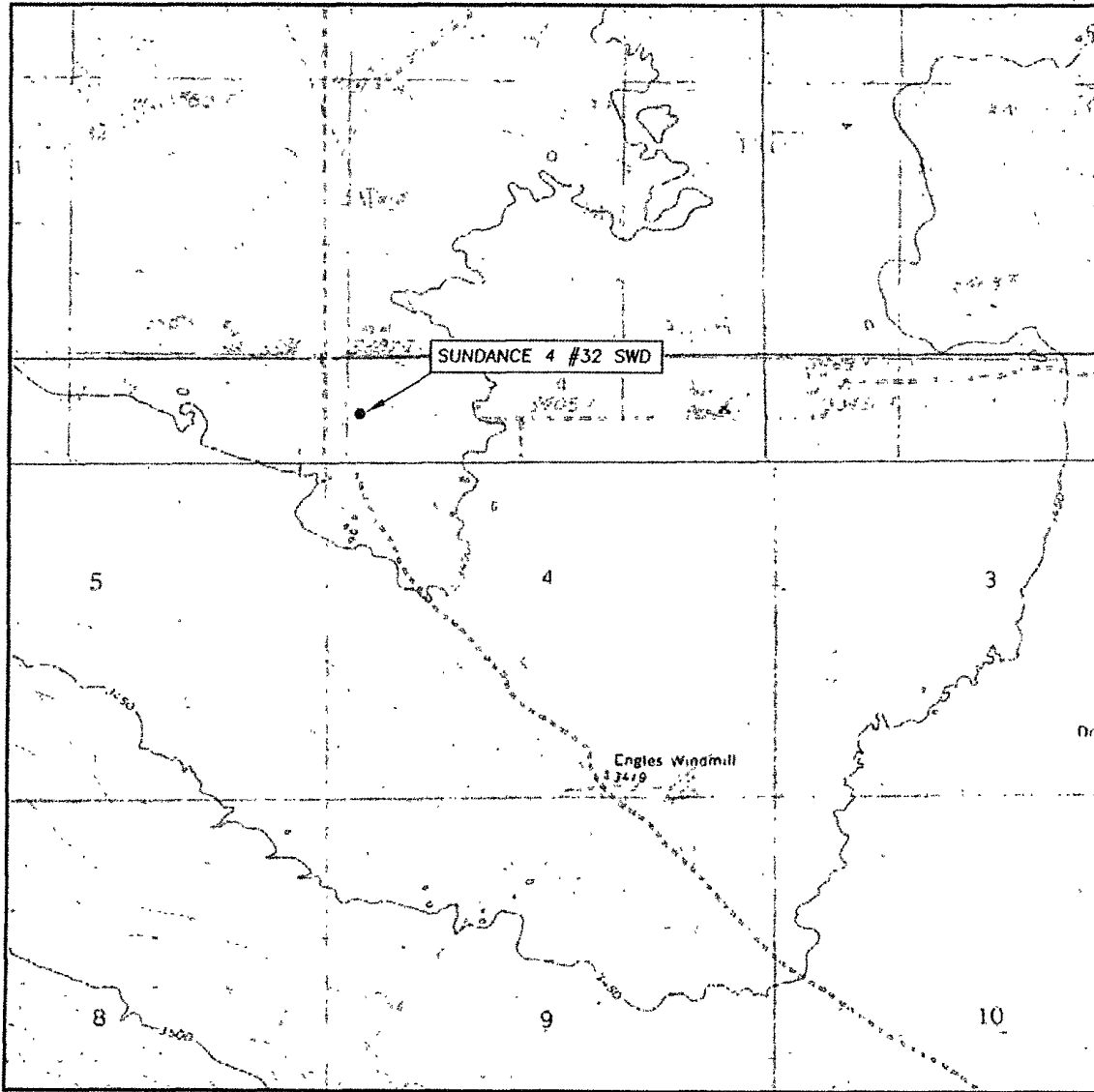
Luis Tarazona
Drilling Engineer
P.O. Box 4294
Houston, TX 77210
Office Phone: 713-366-5771
Cellular: 713-628-9526

OPERATOR CERTIFICATION

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions that presently exist; that I have full knowledge of State and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements. Executed this 21st day of April, 2010.

Name: _____ Denise Woods Denise Woods
Position: ___Reservoir Management Team Leader_____
Address: ___5 Greenway Plaza, Suite 110, Houston, TX 77046_____
Telephone: ___713-215-7154_____
E-mail: (optional): ___denise_woods@oxy.com_____
Company: _____OXY USA Inc._____
Field Representative (if not above signatory): ___Marvin McElroy_____
Address (if different from above): ___P.O. Box 50250 Midland, TX 79710_____
Telephone (if different from above): ___432-652-8607_____
E-mail (if different from above): ___marvin_mcelroy@oxy.com_____

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: 10'

SEC. 4 TWP 24-S RGE. 31-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 680' FNL & 458' FWL

ELEVATION 3395.2'

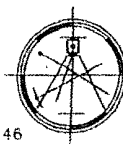
OPERATOR OXY USA, INC.

LEASE SUNDANCE 4 #32 SWD

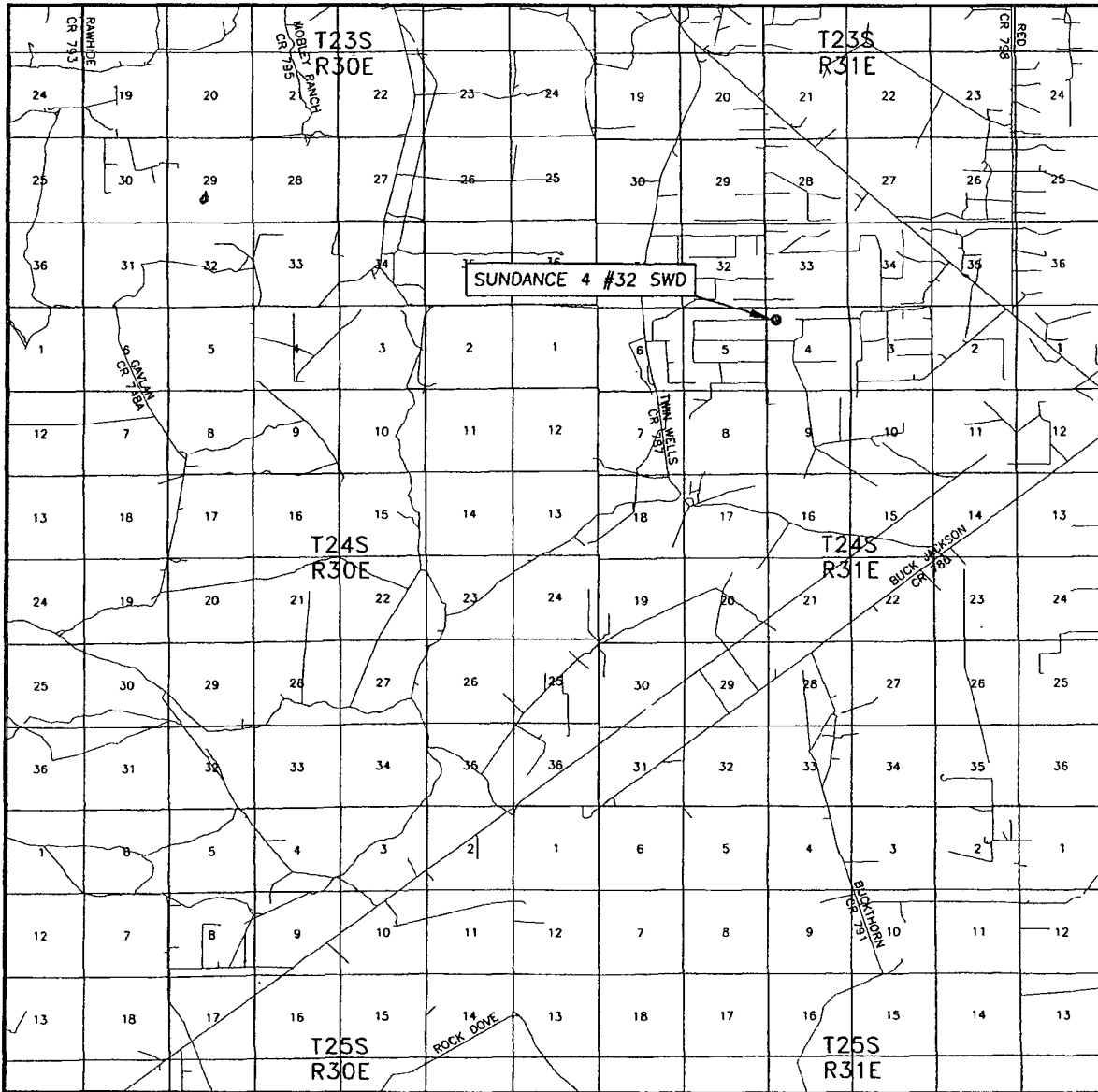
U.S.G.S. TOPOGRAPHIC MAP
LOS MEDANOS, N.M.

Asel Surveying

P.O. BOX 393 - 310 W. TAYLOR
HOBBS, NEW MEXICO - 575-393-9146



VICINITY MAP

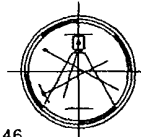


SEC. 4 TWP. 24-S RGE. 31-E
 SURVEY N.M.P.M.
 COUNTY EDDY
 DESCRIPTION 680' FNL & 458' FWL
 ELEVATION 3395.2'
 OPERATOR OXY USA, INC.
 LEASE SUNDANCE 4 #32 SWD

SCALE: 1" = 2 MILES

Asel Surveying

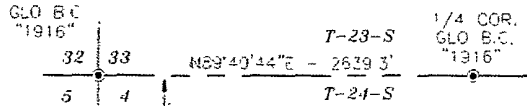
P.O. BOX 393 - 310 W. TAYLOR
 HOBBS, NEW MEXICO - 575-393-9146



DIRECTIONS BEGINNING AT THE INTERSECTION OF HWY. #128 AND EDDY COUNTY ROAD #798 (RED ROAD), GO NORTHWEST ON HWY. #128 FOR 3.9 MILES, TURN LEFT AND GO SOUTH ON LEASE ROAD FOR 2.5 MILES, TURN LEFT AND GO EAST FOR 0.1 MILES TO LOCATION.

SECTION 4, TOWNSHIP 24 SOUTH, RANGE 31 EAST, N.M.P.M.,
EDDY COUNTY NEW MEXICO

North
Basis of Bearings - GRS Geodetic Measurement
NM East Zone (83) North American Datum of 1983



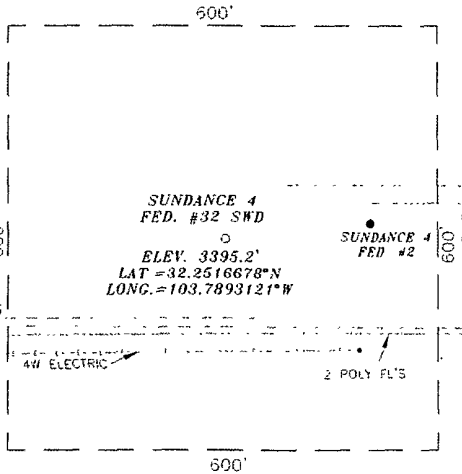
SUNDANCE 4 FED. #32 SWD



DIRECTIONS
BEGINNING AT THE INTERSECTION OF
HWY. #128 AND EDDY COUNTY ROAD
#798 (RED ROAD), GO NORTHWEST ON
HWY #128 FOR 3.9 MILES, TURN LEFT
AND GO SOUTH ON LEASE ROAD FOR
2.5 MILES, TURN LEFT AND GO EAST
FOR 0.1 MILES TO LOCATION

GLO B.C.
"1916"

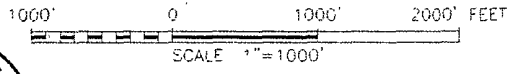
2.5 MILES



SCALE - 1" = 200'

LEGEND

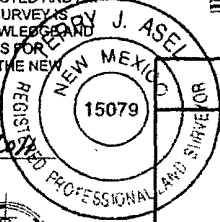
● - DENOTES FOUND MONUMENT AS NOTED



SURVEYORS CERTIFICATE

I, TERRY J. ASEL, NEW MEXICO PROFESSIONAL SURVEYOR NO. 15079, DO HEREBY CERTIFY THAT I CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND MEETS THE "MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO" AS ADOPTED BY THE NEW MEXICO STATE BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS AND SURVEYORS.

Terry J. Asel 3/5/2011
Terry J. Asel N.M. R.P.S. No. 15079



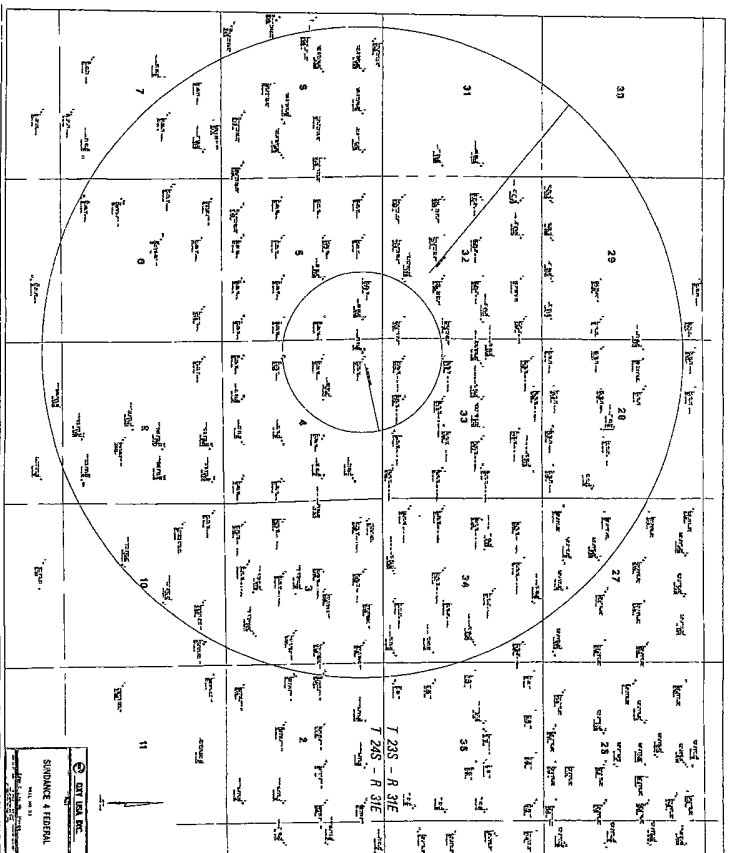
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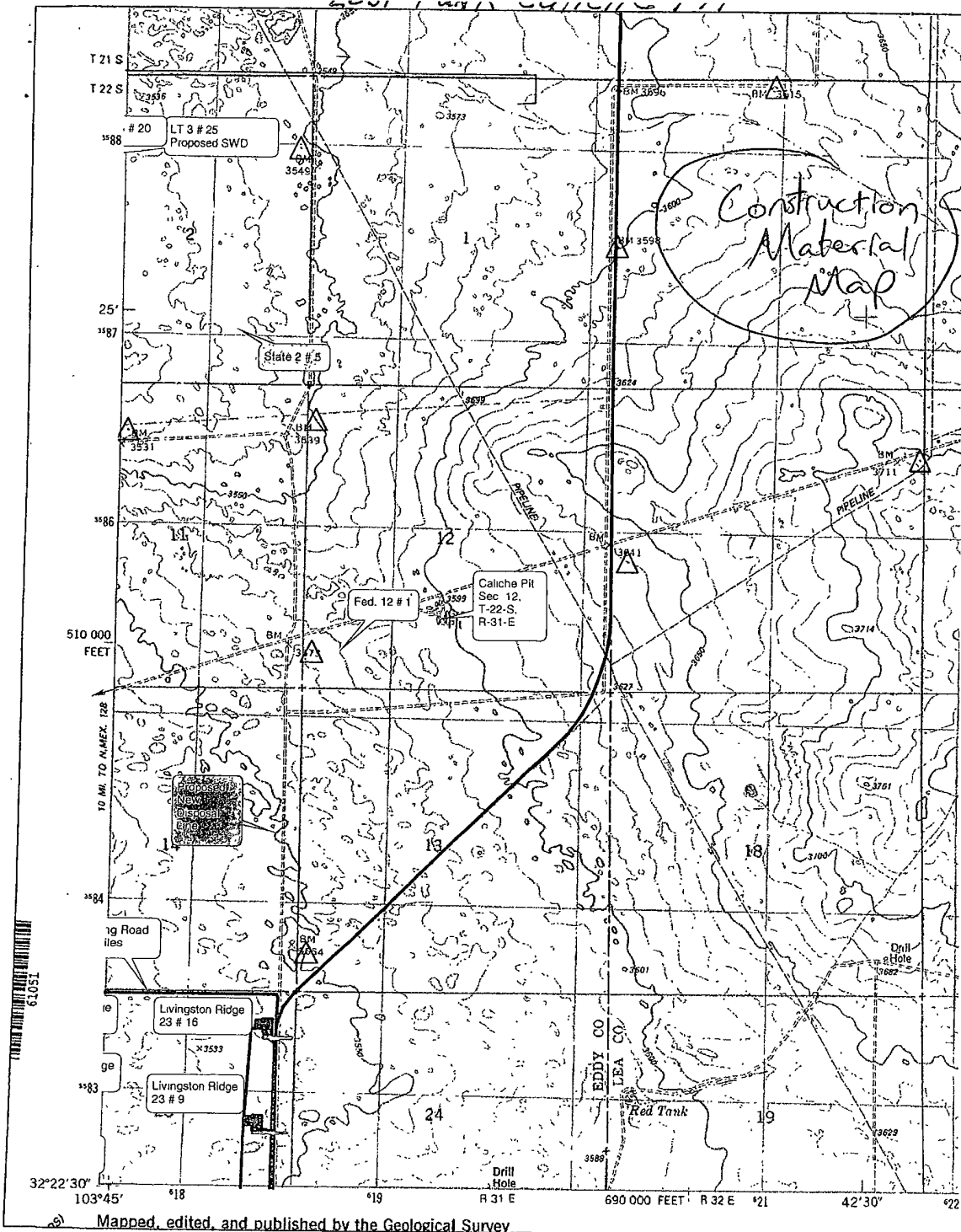
SUNDANCE 4 FED #32 SWD LOCATED AT
680' FNL & 458' FWL IN SECTION 4
TOWNSHIP 24 SOUTH, RANGE 31 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO

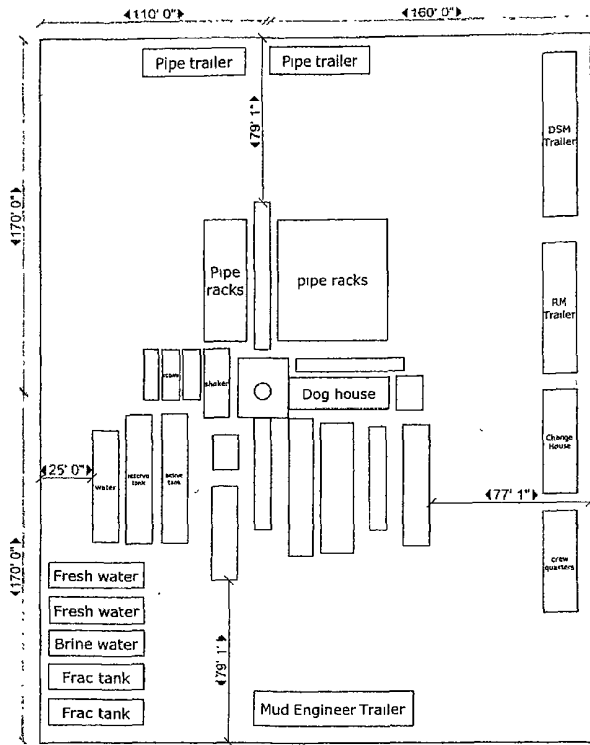
Asel Surveying
P.O. BOX 393 - 316 W TAYLOR
ROSBES, NEW MEXICO - 575-393-9146

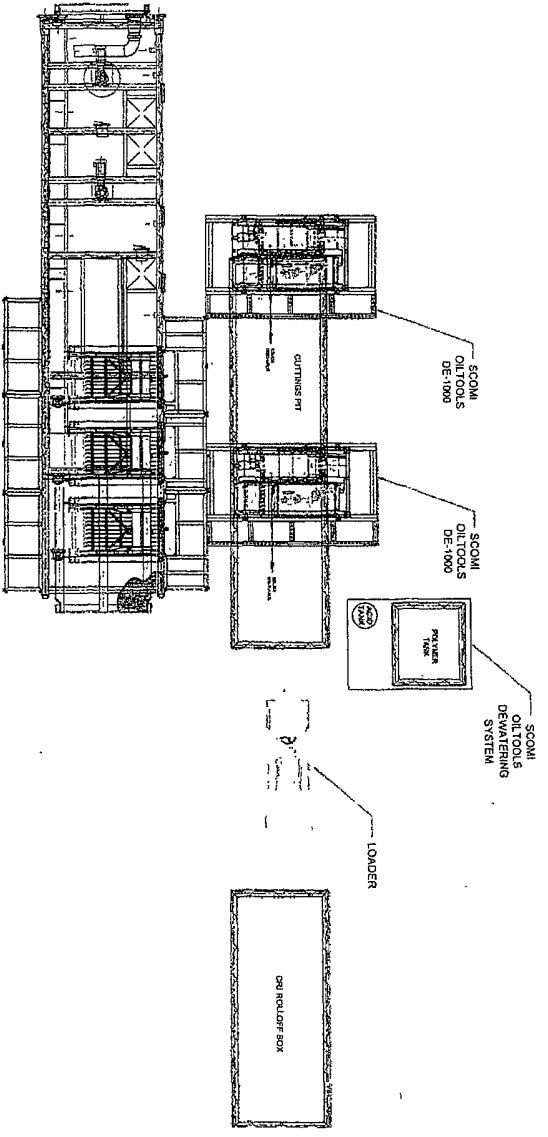


Survey Date. 03/04/11	Sheet 1 of 1 Sheets
W.O Number. 091119WL (Rev D)	Drawn By. KA Rev: D
Date: 03/05/11	091119WL Scale: 1"=1000'



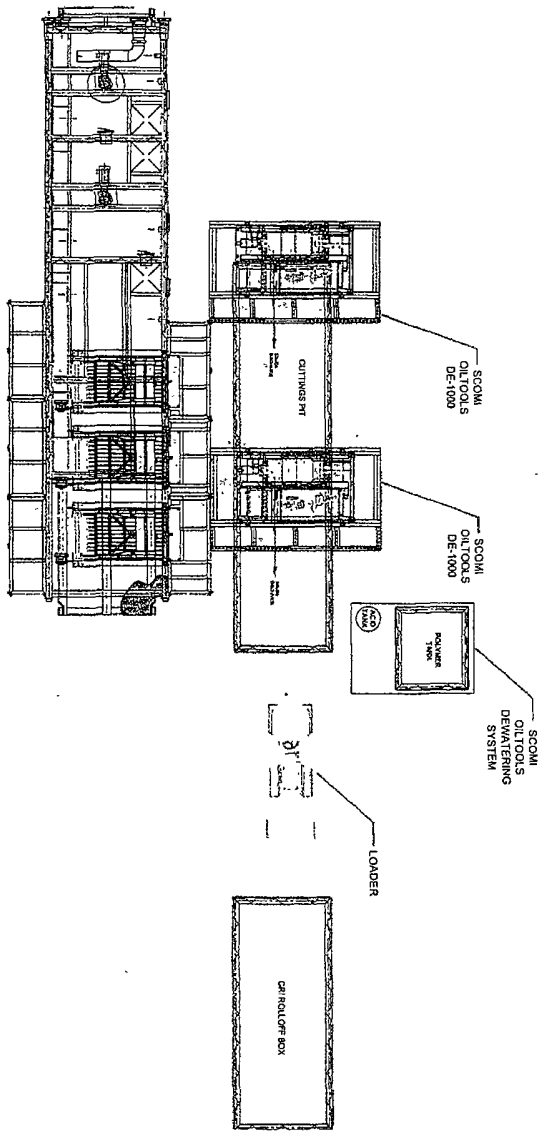






1. THE DESIGN, CONSTRUCTION, AND TESTING OF THIS SYSTEM IS THE RESPONSIBILITY OF THE USER. THE USER SHALL BE RESPONSIBLE FOR THE PROPER OPERATION AND MAINTENANCE OF THE SYSTEM. THE USER SHALL BE RESPONSIBLE FOR THE PROPER OPERATION AND MAINTENANCE OF THE SYSTEM. THE USER SHALL BE RESPONSIBLE FOR THE PROPER OPERATION AND MAINTENANCE OF THE SYSTEM.	
CLOSED LOOP SYSTEM BASIC LAYOUT OXY - HRP - FLEX 4 M	
DATE: 10/15/78 DRAWN BY: [unintelligible] CHECKED BY: [unintelligible]	SCALE: 1/4" = 1'-0" SHEET NO: 5215-027

Scomi
 5215-027







SCOMI OILTOOLS DE-1000		SCOMI OILTOOLS DEWATERING SYSTEM		POLYMER TANK		LOADER		CR ROLL OFF BOX	
NO.	DESCRIPTION	NO.	DESCRIPTION	NO.	DESCRIPTION	NO.	DESCRIPTION	NO.	DESCRIPTION
1	SCOMI OILTOOLS DE-1000	1	SCOMI OILTOOLS DEWATERING SYSTEM	1	POLYMER TANK	1	LOADER	1	CR ROLL OFF BOX
2	SCOMI OILTOOLS DE-1000	2	SCOMI OILTOOLS DEWATERING SYSTEM	2	POLYMER TANK	2	LOADER	2	CR ROLL OFF BOX
3	SCOMI OILTOOLS DE-1000	3	SCOMI OILTOOLS DEWATERING SYSTEM	3	POLYMER TANK	3	LOADER	3	CR ROLL OFF BOX
4	SCOMI OILTOOLS DE-1000	4	SCOMI OILTOOLS DEWATERING SYSTEM	4	POLYMER TANK	4	LOADER	4	CR ROLL OFF BOX
5	SCOMI OILTOOLS DE-1000	5	SCOMI OILTOOLS DEWATERING SYSTEM	5	POLYMER TANK	5	LOADER	5	CR ROLL OFF BOX
6	SCOMI OILTOOLS DE-1000	6	SCOMI OILTOOLS DEWATERING SYSTEM	6	POLYMER TANK	6	LOADER	6	CR ROLL OFF BOX
7	SCOMI OILTOOLS DE-1000	7	SCOMI OILTOOLS DEWATERING SYSTEM	7	POLYMER TANK	7	LOADER	7	CR ROLL OFF BOX
8	SCOMI OILTOOLS DE-1000	8	SCOMI OILTOOLS DEWATERING SYSTEM	8	POLYMER TANK	8	LOADER	8	CR ROLL OFF BOX
9	SCOMI OILTOOLS DE-1000	9	SCOMI OILTOOLS DEWATERING SYSTEM	9	POLYMER TANK	9	LOADER	9	CR ROLL OFF BOX
10	SCOMI OILTOOLS DE-1000	10	SCOMI OILTOOLS DEWATERING SYSTEM	10	POLYMER TANK	10	LOADER	10	CR ROLL OFF BOX

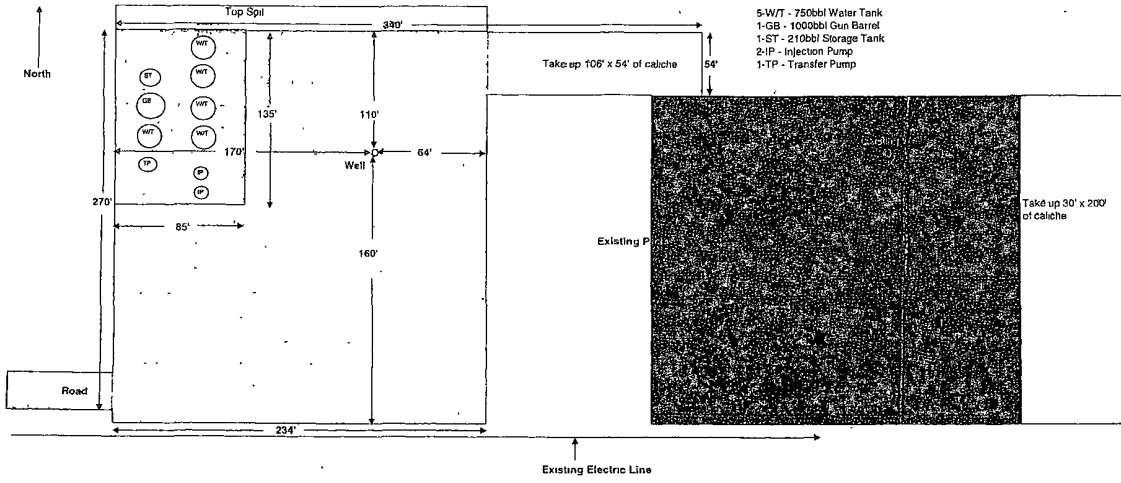
1. ALL DIMENSIONS ARE IN FEET AND INCHES.
 2. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE SPECIFIED.
 3. ALL DIMENSIONS ARE TO CENTER UNLESS OTHERWISE SPECIFIED.
 4. ALL DIMENSIONS ARE TO CENTER UNLESS OTHERWISE SPECIFIED.
 5. ALL DIMENSIONS ARE TO CENTER UNLESS OTHERWISE SPECIFIED.
 6. ALL DIMENSIONS ARE TO CENTER UNLESS OTHERWISE SPECIFIED.
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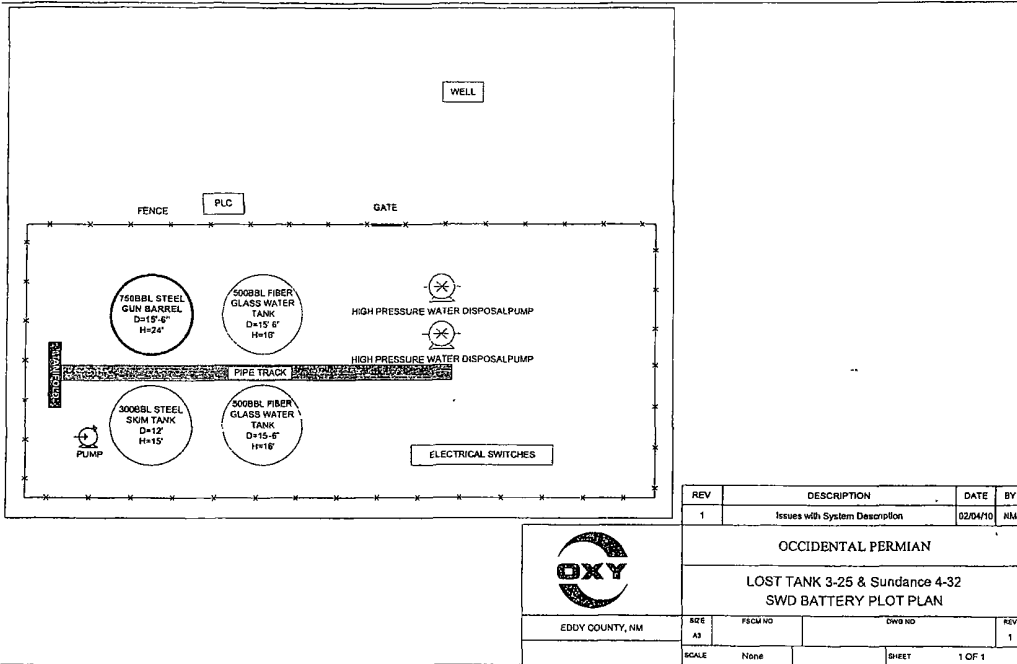
**CLOSED LOOP SYSTEM
 BASIC LAYOUT
 DRY - HOP - FLEX 4 M**

Scomi
 571S-027

Sundance 4 Federal # 32

-  Existing Pad
-  Existing Pad overlapping with new pad
-  New Pad
-  Proposed Pad Reclamation





EDDY COUNTY, NM

REV	DESCRIPTION	DATE	BY
1	Issues with System Description	02/04/10	NM

OCCIDENTAL PERMIAN

**LOST TANK 3-25 & Sundance 4-32
SWD BATTERY PLOT PLAN**

SRE	FECD NO	DWG NO	REV
A3			1

SCALE	None	SHEET	1 OF 1
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Surface Equipment List

•Use this equipment list Lost Tank 3-25 and Sundance 4-32

SWD

EQUIPMENT	QNTY
500 BBL FG WATER TANKS	2
300 BBL ST SKIM OIL TANKS	1
10HP TRANSFER PUMP	1
75HP DISPOSAL PUMPS	2
750 BBL GUN BARREL	1
DISPOSAL WELL	1

30-015-38393